

**ITEM 1**  
**COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**



**Man Global Private Markets UK Ltd.**  
**March 29, 2021**

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**This brochure provides information about the qualifications and business practices of Man Global Private Markets UK Ltd. (the “Firm”). If you have any questions about the contents of this brochure please contact Compliance at (212) 649-6600 and/or by email [compny@man.com](mailto:compny@man.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about the Firm and the Filing Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

This brochure, dated March 29, 2021, includes the following material changes from our brochure filed on October 29, 2020:

- Disclosures in Item 6 have been updated to reflect additional factors when allocating assets between Clients.
- Disclosures in Item 10 have been updated to reflect the Firm's relationship with certain affiliates.
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Even though a concerted effort is made to keep clients/investors informed of notable changes to the Firm's business throughout the year, clients/investors are encouraged to review this update, much like all of Firm's reports and communications, in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

The Firm is a UK-based limited liability partnership incorporated September 15, 2010, with its principal place of business in London, England. The Firm is authorized and regulated by the Financial Conduct Authority in the United Kingdom, provides advisory and sub-advisory services to non-U.S. and U.S. institutional managed accounts and pooled investment vehicles on either a discretionary or non-discretionary basis.

The direct owner of the Firm is Man Investments Holdings Ltd. (UK), an indirect wholly-owned subsidiary of Man Group plc. Man Group plc is a public company listed on the London Stock Exchange and is a component of the FTSE 250 Index. Man Group plc, through its investment management subsidiaries (collectively, “**Man**”), is a global alternative investment management business and provides a range of fund products and investment management services for institutional and private investors globally. As of December 31, 2020, Man had approximately \$123.6 billion of funds under management.

The Firm provides investment management and advisory services (either directly or as a sub-adviser) to (1) pooled investment vehicles (the “**Funds**” and, each, a “**Fund**”) that are exempt from registration under the Investment Company Act of 1940 (the “**Investment Company Act**”) and (2) separately managed accounts (the “**Separate Accounts**” and, together with the Funds, the “**Clients**”). A Fund may be established in many different types of corporate structures. Certain Funds are closed for additional investors or investments. Each Separate Account is typically structured in the form of an investment vehicle customized for such Separate Account. The Firm also provides advisory and other services on a non-discretionary basis to Clients.

The Firm’s advisory business seeks attractive returns primarily through investments in real estate assets (either directly or through the use of special purpose vehicles (“**SPVs**”)) focused primarily on: (1) commercial real estate debt, including commercial mortgage-backed securities (“**CMBS**”), regarding properties located in the United States, the UK or Europe; (2) short-term residential development loans in Ireland; (3) single family homes located in the United States held in fee simple<sup>1</sup> and leased to tenants using a “buy-to-rent” or “build-to-rent” strategy; and (4) U.S. residential debt, including non-performing and re-performing loans (“**NPL/RPLs**”), refurbishment loans and rental debt. The strategies include both direct and indirect lending (together, the “**Real Estate Strategy Lending Business**”).

The Firm provides investment advice to each Fund according to such Fund’s particular investment objectives, strategies and guidelines regarding the types of securities the Fund will invest in and portfolio limits (if any), as set forth in the applicable offering document, investment management agreement and/or any other governing document (the “**Governing Documents**”) and not individually to the investors in the Fund.

The Firm tailors its advisory services for Separate Accounts in accordance with the applicable Governing Documents between the Firm and the relevant Separate Account.

The Firm may utilize the investment management, research, operational, administrative, and other functions of its affiliates. The Firm may provide the same types of services to its affiliates with regards to Non-U.S. investments.

Certain affiliated advisory firms may be considered to be “Participating Affiliates” of the Firm (as that term is used in relief granted by the staff of the Securities and Exchange Commission (“**SEC**”)) allowing investment advisers registered with the SEC to use portfolio management, operations, and trading resources of advisory affiliates and personnel subject to the supervision of an SEC-registered adviser. Professionals

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<sup>1</sup> Fee simple means a permanent and absolute tenure of an estate in land with freedom to dispose of it at will.

from such Participating Affiliates may render portfolio management, valuation, operations, hedge fund research, due diligence, risk management, trading or other related services to the Firm's clients and/or the Firm as affiliated "associated persons" of the Firm and are subject to supervision by the Firm. In addition, the Firm may provide portfolio management, risk management, hedge fund research or due diligence to the Participating Affiliates under separate services agreements. Fees may be paid by and received from the parties under these arrangements.

The Firm does not participate in wrap fee programs.

Man Global Private Markets U.K. Ltd. complies with applicable U.S. securities regulations only with respect to its U.S. clients.

Man provides a number of centralized functions to the Firm, which includes risk management, operations, middle office accounting, finance, human resources, facilities, tax, legal, compliance, information technology, among other such services. The Firm utilizes cash management, client servicing, sales and marketing capabilities of its affiliates in providing services to its clients.

### ***Side Letters***

As a general matter, the Firm owes certain fiduciary duties to each Fund, which requires that the Firm act in good faith and in what the Firm considers to be the best interests of the Fund. In doing so, the Firm also will endeavor to act in a manner that ensures the fair treatment of the respective Fund's investors. The Firm may, without the approval of any investor, from time to time enter into agreements with certain investors that provide for terms that are different from those described in the pertinent offering document ("side letters"). Such side letters or other similar agreements may not impose any additional obligations or liabilities on any other investor not party to such agreement. In exercising discretion in causing a Fund to enter into a side letter, the Firm will disclose any material terms of such side letter to other investors. Otherwise, absent an agreement to the contrary, the Firm (or its affiliates) may from time to time enter into side letter or similar agreements with certain investors that may provide for terms of investment that are more favorable than the terms described in the respective Fund's governing documents without providing prior notice to, or receiving consent from, existing investors.

The types of investors who receive preferential treatment, or have the right to receive preferential treatment, may include: (1) cornerstone investors or investors of strategic importance to the Fund; (2) investors complying with specific legal, tax and/or regulatory requirements; (3) affiliates of the Firm; and (4) seed investors.

Rights or terms that a side letter may alter may include, but are not limited to: (1) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor; (2) preferential fee terms; (3) preferential terms relating to liquidity and/or transfer; (4) enhanced transparency and reporting; and (5) "most favored nation" rights. Such side letters or similar agreements will not, however, combine preferential information rights with preferential redemption rights to the detriment of other investors.

### ***RAUM***

As of December 31, 2020, the Firm had approximately \$1.842 billion in regulatory assets under management ("**RAUM**") that it manages on a discretionary basis. For purposes of the calculation of RAUM, the Firm has included Client portfolios that only hold direct real estate equity or debt which may not be deemed securities.

*This brochure generally includes information about the Firm and its relationships with its Clients and affiliates. While much of this brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.*

## ITEM 5 – FEES AND COMPENSATION

The Firm's fee schedule is omitted because this brochure is being delivered only to qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act.

The Firm does not maintain a basic fee schedule. The following is a general overview of the types of fees the Firm charges its clients.

All fees described in this section are generally subject to waiver or reduction by the Firm in its sole discretion, including waivers or reduction for investments by employees and affiliates. Accordingly, fees may differ among and between Clients as well as among investors in a Fund. The Firm may provide advisory services to its employees and affiliates without compensation, at discounted fees, and with different liquidity terms.

Fees are negotiated with Clients and are structured in different ways based on the strategy services provided, the Firm's RAUM associated with the Client and other factors as negotiated with the Client. Each Fund's Governing Documents should be referenced for detail related to the applicable asset management fee (the "Management Fee") and carried interest fees (the "Carried Interest"). The fees regarding any Separate Account are set forth in the applicable Governing Documents. Any information contained herein is a summary only and is qualified in its entirety by such documents.

Clients may invest in investments that charge additional fees which may include other management fees. Fees paid to the Firm are in addition to the fees a Client pays to an unaffiliated manager and fund. The Firm does not receive any portion of the fees paid to unaffiliated managers.

The ongoing Management Fee may be paid on a monthly or quarterly basis, either in arrears or in advance. Fees are deducted from each Fund's assets. Fund investors do not have the ability to choose to be billed directly for fees incurred. Any fees charged in advance will be reimbursed to Clients on a pro rata basis, minus reasonable expenses, upon termination or as otherwise agreed with the Client.

Each Fund pays for, or reimburses the Firm and its affiliates for their payment of, the expenses incurred in connection with the organization and formation of a Fund, the Fund's general partner or managing member (as applicable) and the offering of the Fund's interests/shares. Expenses chargeable to a Fund are allocated to the investors on a pro rata basis based on the investor's capital commitments. Where applicable, operating costs will be tracked by series and divided pro rata among the series. Expenses related to consummated transactions are generally shared pro rata by all Clients and co-investors participating in the transaction.

Each Fund also bears its own expenses, including without limitation all costs and expenses paid by or on behalf of the Fund relating to its businesses, including but not limited to: operational expenses (including without limitation legal, filing, auditing, consulting, administration (*e.g.*, services related to processing subscriptions and capital calls, financial recordkeeping, net asset value calculation, net asset value publication, investor reporting, anti-money laundering and OFAC compliance, preparation of annual financial statements and other expenses related to the financial statements; document safekeeping, and such other administrative services as agreed to from time to time) and accounting fees and expenses), bank fees, real estate development and management-related fees (including construction management fees, property management and maintenance fees, paying agent fees and leasing services fees), transfer agent fees, other investment- or portfolio-related expenses, including expenses associated with the acquisition, holding and disposition of the investments or investments of portfolio companies (*e.g.*, without limitation, any brokerage, custody, hedging costs, the fees and expenses of valuation agents, property managers and maintenance and recurring costs), the costs of sourcing potential investments, including the expenses of sourcing service providers, whether a transaction was concluded or not (*i.e.*, "broken-deal" or "dead-deal" expenses), if not paid or reimbursed by the related portfolio companies, determined on a cash basis, due

diligence expenses and costs associated with positions of a particular Fund or for which the Fund is otherwise responsible; expenses associated with the Fund's information, communication and reporting costs, including investor (if applicable) annual meeting expenses (but excluding expenses of individual investors (if applicable)); indemnification and interest expenses; expenses of any third-party advisory committees of the Fund, expenses of the Advisory Board (if any) and expenses related to any experts, consultants or legal advisers hired by any advisory committee or Advisory Board; insurance, interest and other expenses incurred in respect of borrowings of the Fund and its subsidiaries; the costs and expenses of any litigation or regulatory investigation involving the Fund or an investment and the amount of any judgments or settlements paid in connection therewith; and any entity-level taxes, including withholding and transfer taxes (if any) fees or other governmental charges or duties levied against the Fund, tax returns and Schedules K-1. The Firm or its affiliates may pay certain of the aforementioned expenses and may therefore be entitled to be reimbursed by a Fund in respect of such expenses.

The expenses borne by a Separate Account are set forth in the associated Governing Document(s). Certain expenses borne by the Funds may be shared by Separate Accounts.

Regarding the Real Estate Strategy Lending Business, the Firm may require potential borrowers to make a good faith deposit into an escrow account to be used to cover expenses in drafting legal documents. To the extent the borrower does not enter into a proposed transaction, the good faith deposit may be forfeited. In the event that a potential borrower seeks to cancel a deal, despite the lender's (investor/client) willingness to complete the deal, the borrower may forfeit the entire deposit. The forfeited deposit may be used to pay all reasonable out-of-pocket costs and expenses, including but not limited to legal fees, and deal due diligence expense up to the total amount of the good faith deposit. Any amounts remaining in the good faith deposit account may be transferred to the lender (client/investor). The Real Estate Strategy Lending Business generally requires the borrower to pay an upfront fee, and a loan exit fee when a loan is paid off prior to the loan termination date, to the Firm and not to a Client, the fee is related to the Firm's work in structuring the deal, due diligence on the deal, and closing of the deal. This fee is generally split with the funding entity, which may or may not be a Client of the Firm.

Additionally, the Real Estate Strategy Lending Business will charge ongoing administrative fees to the Client that are payable to the Firm in the form of make whole fees and loan extension fees. These fees are related to the ongoing loan monitoring, due diligence, legal and where permitted research costs that are described in the preceding paragraph that relate to the initial investment, however these fees relate to costs that arise in maintaining, monitoring and restructuring the loan investments made by the Client.

Separately, for Real Estate Strategy Lending Business Clients over which the Firm does not exercise discretion, a loan servicing fee is charged in lieu of a management fee paid quarterly in arrears (the "Servicing Fee") which is an amount equal to a percent per annum of the average of: (a) the par value of the total investment amount at the beginning of the interest period preceding such payment date; and (b) the total investment Amount on the determination date immediately preceding such payment date, calculated on an day basis in respect of the period from the immediately preceding payment date to such payment date, as set out in each Client's management agreement. The Servicing Fee is invoiced to the Client and payable to the Firm upon receipt.

Fund costs may be amortized over a period of time to ensure that large expenses are borne in an equitable manner.

The Firm's fees and compensation may be shared from time to time with its affiliates.

A Fund or Separate Account may incur an expense which forms part of a larger aggregate expense relating to a number of entities for which the Firm or its affiliates provide services. Such expense will normally be

allocated between the relevant entities, on a pro rata basis, or in conjunction with a flat fee per entity for a portion of the expense, where possible and appropriate.



## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Firm accepts performance-based fees or allocations from some, but not all, Clients. Our performance-based fees are paid in accordance with the requirements of the Advisers Act. Such fees are disclosed and, in certain instances, are generally paid only after the holders or investors therein, respectively, have achieved a specified return.

Managing assets for Clients with different fee structures can create a conflict of interest for the Firm. “Side-by-side” management refers to the simultaneous management of multiple Clients or series within Clients which follow similar, complementary or competing investment objectives, policies or strategies. Potential or actual conflicts of interest may arise from the side-by-side management of (1) a Client that pays performance-based compensation and one that does not, (2) a Client that pays higher asset-based or performance-based compensation than another or (3) Clients where the Firm or its related persons have a pecuniary interest (or a higher level of pecuniary interest) in one Client than the other. For example, employees and related persons of the Firm and its affiliates make or have capital investments in or alongside certain Clients (or Clients of the Firm’s affiliates) and therefore may have conflicting interests in connection with these investments. The Firm may have an incentive to favor Clients that offer higher performance-based compensation or management fees or in which employees of the Firm or its affiliates have a greater financial interest, as favoring any of these Clients could result in an economic benefit to the Firm and/or its employees. We seek to mitigate the conflicts created by performance-based compensation, different fee structures and proprietary interests through full disclosure and our allocation policy, described below.

There is no assurance that Client portfolios with similar investment objectives or strategies will hold the same positions or will perform similarly. Further, the investment or other decisions the Firm makes with respect to Client or series portfolios with divergent (or similar) objectives or strategies could be seen or could actually benefit some Clients or series more than others. For example, certain Clients of the Firm’s resident debt strategy make loans to third-party real estate developers who build residential homes (the “Developers”). After the Developers have finished building these homes, certain other Clients of the Firm’s fee simple strategy have in the past and may in the future purchase these homes from the Developers. This creates a potential conflict of interest whereby the Firm may be incentivized to purchase homes from the Developers for certain Clients, so that the Developers can repay the loans issued by other Clients. Additionally, there exists a potential conflict of interest as certain Clients of the Firm’s residential debt strategy make loans to third-party real borrowers. Certain borrowers often have multiple facilities in place as part of their financing strategy and from time to time, the Firm has managed and will continue to manage several facilities with the same borrower. These facilities for example may have different leverage, term and collateral requirements, which are dictated by the facilities governing documents. These potential conflicts of interests are mitigated by the Firm’s underwriting procedures for both loans and fee simple real estate which includes due diligence and analysis as reflected in each Client’s investment management agreement or other offering or organizational documents. These procedures are followed regardless of the third party seeking a loan, or selling fee simple real estate. Additionally, it is the borrower and not the Firm or the Client who decide on the allocation of their borrowing between the Firm’s Clients, notwithstanding that if a borrower is rejected by the Firm for credit reasons on behalf of one Client it will be rejected across all the Clients of the Firm’s residential debt strategy. Accordingly, the Firm’s allocation decisions will affect performance and certain Clients may not participate in gains or losses realized by other Clients, including those with similar or complementary investment objectives or strategies.

The Firm has adopted a trade allocation policy designed to mitigate the side-by-side management conflict between or among Clients and accounts by seeking to allocate investment opportunities in a manner deemed fair and equitable over time in order to construct a fully invested portfolio consistent with Client investment guidelines.

Pro rata allocation of investment opportunities is generally not feasible given the investment strategies the Firm currently pursues, and allocation decisions (*i.e.*, determining which Clients will participate and to what extent) are driven by a number of factors, including investment guidelines, date of capital commitment, the overall risk profile of the portfolio, the nature and target size of the positions, available cash, and market conditions and performance. In certain circumstances, the Firm may consider a number of factors when allocating investment opportunities, including the investment objectives of Clients, the Client's position in an investment rotation model, the source of the investment opportunity, any exclusive rights to investment opportunities that may have been granted to particular Clients, the expected duration of the investment in light of Clients' investment objectives and policies (including diversification policies), the amount of available capital, the date of the capital commitment, the size of the investment opportunity, regulatory and tax considerations, the degree of risk arising from an investment and the risk tolerance of the Client, the expected investment return, relative liquidity, likelihood of current income or such other factors as the Firm deems to be appropriate. These factors provide substantial discretion to the Firm in allocating investment opportunities. In light of these factors new Clients who have a large amount of available capital may be given a higher percentage of allocations, until all of their available capital has been deployed. Further, two or more Clients may hold an investment for which there is extremely limited, or no, liquidity or that is subject to legal or other restrictions on transfer. In a situation where the Firm is limited in its ability to dispose of an investment, the Firm may consider the factors described above in allocating the sale of such an investment.

Notwithstanding the foregoing, investment opportunities may be allocated in a manner which differs from such methodologies but is otherwise deemed by the Firm to be fair and equitable taken as a whole (including, in certain circumstances, a complete opt-out of an allocation). Accordingly, the Firm's allocation decisions will affect performance, and certain Clients may not participate in gains or losses realized by other Clients with similar investment objectives or strategies.

Also, performance-based compensation may create an incentive for us to make investments for our Clients that are riskier or more speculative than would be the case in the absence of a performance-based fee. The Firm generally seeks to manage Client portfolios subject to guidelines and/or investment restrictions designed to limit our ability to make speculative investments.

The Firm may recommend various service providers to Clients or cause one or more Clients to utilize the services of a service provider with which the Firm has other relationships.

## **CO-INVESTMENT OPPORTUNITIES**

The Firm may offer a third party or investor the opportunity to co-invest in any transaction in which one or more separately managed accounts or funds have made, or will make. Typically this may occur in relation to privately placed and/or negotiated transactions, or transactions with a limited capacity or finite amount available and/ a relatively short time horizon in which to execute.

The Firm may not offer co-investment opportunities to all current or potential investors but will take into account such factors as it determines appropriate based on the current facts and circumstances of the co-investment opportunity. The allocation of any co-investment opportunity will be determined at its sole discretion. Consideration will be given to various factors including the ability of a potential co-investor to commit to invest in a short period of time, whether they have expressed an interest in participating in a co-investment opportunity and the alignment of a current client's interest and the potential co-investor goals and such other factors as the Firm deems relevant, which may include subjective determinations such as forming relationships and providing strategic benefits to clients.

## **ITEM 7 – TYPES OF CLIENTS**

The Firm provides investment management and advisory services to pooled investment vehicles and Separate Accounts (generally, institutions). The interests in the Funds are generally offered in the United States on a private placement basis, pursuant to Section 3(c)(7) or 3(c)(5) of the Investment Company Act, to persons who are “accredited investors” as defined under the Securities Act and “qualified purchasers” as defined under the Investment Company Act, and subject to certain other conditions, which are set forth in the offering documents for the Funds. Certain Funds are structured as Real Estate Investment Trusts (“REITs”) which are also offered in the United States on a private placement basis to persons who are “accredited investors” and “qualified purchasers”.

Note the Firm has discretion to change the minimum that applies to any investor on a case by case basis. The Firm’s Separate Accounts also usually have a minimum capital commitment, although the amount varies between accounts.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

*The descriptions set forth in this brochure of specific advisory services that the Firm offers to Clients, and investment strategies pursued and investments made by the Firm on behalf of its Clients, should not be understood to limit in any way the Firm's investment activities. The Firm may offer any advisory services, engage in any investment strategy and make any investment for its Clients, including any not described in this brochure, that the Firm considers appropriate, subject to each Client's investment objectives and guidelines.*

### ***Methods of Analysis and Investment Strategies***

The Firm targets opportunistic real estate and real estate-related investments primarily in the United States, the UK and Europe. Without limiting the foregoing, the Firm focuses its Clients' investment activities primarily on transactions in the following categories:

- Direct or indirect lending related to: (1) European, UK and U.S. commercial real estate debt, including CMBS; and (2) short-term Irish residential development loans;
- Direct investment in fee simple in U.S. single family residences (“SFR”) or land that the Firm, on behalf of the Client, (1) refurbishes or develops, respectively, (2) typically leases to tenants and (3) eventually sells;
- Direct or indirect lending regarding U.S. SFR rental (*i.e.*, “buy-to-rent”) debt and refurbishment debt;
- Investments in a private US Real Estate Investment Trust (“US REIT”); and
- Indirect lending related to U.S. distressed debt (*e.g.*, NPL/RPLs).

*European, UK and U.S. Commercial Real Estate Debt Investing.* Regarding its investments in European, UK and U.S. commercial real estate debt, the Firm: (1) seeks lower risk, senior secured debt only, on high quality real estate assets with the expectation for higher margins and better structural protections by lending in markets not well served by banks (*e.g.*, due to regulatory considerations or operational complexity); and (2) uses an “originate/ underwrite / hold” strategy with a medium to long term expected maturity focused primarily on medium-term, floating rate loans but some fixed rate loans as well. In constructing the portfolios of commercial real estate debt, the Firm seeks to take advantage of best value across the European, UK and U.S. markets and real estate sectors with a preference for self-originated, private transactions and a bespoke underwriting structure that includes protections tailored to the type of financing (*e.g.*, development financing is extended only once pre-agreed milestones are met, the Firm has discretion regarding new assets entering revolving portfolio facilities, etc.) and results in repayment in full across a range of outcomes. The Firm seeks loan structuring that provides, among other things: (1) the Firm control over both collateral and the borrower to help ensure it can intervene on behalf of investors if triggered and needed; (2) the Client a first lien on all assets collateralizing the loan with collateral that typically is ring-fenced into special purpose bankruptcy remote entities; (3) upon a default or foreclosure, terms in the legal documents that permit the Firm, on behalf of the Client, to seize assets and liquidate (following due process) and/or intervene and take control of the borrower as the Firm determines is necessary to optimize recovery; (4) last in, first out financing, if possible; and (5) active incurrence and maintenance covenants at the financial and asset level to help promote counterparty performance and potentially catch issues early in the event of asset stress.

The Firm's underwriting process involves, among other things: (1) continuous review to help ensure that transactions fall within, and sponsors work within, lending risk and return guidelines; (2) operations and business review of each potential borrower to help ensure the borrower has the required experience, resources and expertise to execute the business plan; (3) analytic risk stress testing of the business plan, collateral and exit analysis based upon conservative modelling approaches with multiple exit strategies

examined; (4) property and asset tours of sample properties and meetings with property developer sponsors/operators to discuss business and asset level strategy; and (5) hands-on asset level due diligence that incorporates independent collateral valuations, scrutiny of underlying loan LTV/ LTC at the asset level to help ensure appropriate level of leverage, project/scope review of each underlying property including a tenant review, review regarding the underlying developer/sponsor's professional, operational, financial and track record. Finally, the Firm uses proprietary portfolio and risk management technology ("SAS Visual Analytics") in actively overseeing the management and monitoring of investment properties.

In monitoring a portfolio of commercial real estate investments, the Firm, among other things: (1) arranges for periodic on-site property visits; (2) regarding more operational facilities, retains control over facility collateral documents, cash collection and servicing activities; (3) exercises discretion on new assets to be incorporated into the collateral pool; (4) engages independent third party valuations and title/lien due diligence on each property; and (5) for portfolio financings, where relevant, uses proprietary technology focused on aggregating, synthesizing and analyzing large amounts of data and performance inputs to create a scalable and risk-focused platform.

For risk monitoring, the Firm conducts, among other things: (1) periodic covenant reviews; (2) periodic site visits; (3) management meetings and updates; and (4) overall global portfolio level monitoring to help ensure diversification and appropriate weightings to asset classes and jurisdiction.

Prior to maturity, a loan is typically repaid through: (1) asset sale; (2) refinancing, *e.g.*, to term out debt, if debt terms materially improve and/or property valuations significantly improve; or (3) repayment from existing resources. In case of credit issues at or prior to maturity, the Firm engages in restructuring to maximize value recovery.

*Short-term Irish Residential Development Debt Investing.* Regarding its investments in short-term Irish residential development, the Firm generally invests, on behalf of its Clients, in first lien senior secured loans to experienced local residential developers regarding medium-sized developments.

These loans: (1) are secured by properties located in established residential areas in the Republic of Ireland; (2) have LTV appropriate for the investment strategy and vehicle; and (3) have short to medium term maturity.

*U.S. Residential Investing in Fee Simple.* The Firm's strategy for U.S. SFR investing in fee simple comprises: (1) acquiring existing and new single family homes (including acquiring land and building a new single family home); (2) refurbishing existing single family homes as needed; (3) leasing the refurbished or new home to tenants; and (4) eventually selling the property. In purchasing new homes, the Firm acquires, on behalf of its Clients both (1) newly built single family homes from homebuilders and other sellers and (2) developed or undeveloped residential land lots with a view to contracting homebuilders to build single family homes on such lots with construction to start as soon as practicable after acquisition.

In analyzing investments using its "buy-to-rent" or "core rental" strategy, the Firm (1) seeks good value housing and attractive rental yield in U.S. metropolitan areas (population one million or more) with thriving economies and (2) focuses on immediate rental income generation and moderate capital growth. Additionally, in assessing potential investments, the Firm seeks (1) newer properties, (2) an average school ranking that is higher than the national average, (3) tenants with a median household income of USD 91,000 and average monthly rent of USD 1550 and (4) a stabilized 2016 occupancy rate of 94%.

In analyzing investments using its "build-to-rent" or "value-add development" strategy, the Firm (1) seeks to buy or build new single family homes in U.S. neighborhoods with good school rankings and low unemployment and (2) focuses on long-term capital growth through the development and eventual sale of single family homes and medium-term cash flows through rental income generation, as applicable.

In constructing the portfolios, the Firm (1) uses daily systematic algorithm-based screening of all properties that come to market via the multiple listing service (“**MLS**”), (2) seeks direct origination of vacant developed land lots and build to rent properties from local and regional homebuilders and (3) makes selective portfolio purchases from other investors and aggregators. The Firm does not participate in foreclosure auction properties or bulk portfolio purchases in connection with its “core rental” or “value-add development” strategies.

The Firm underwrites and monitors these U.S. SFR Investments using, among other things: (1) cap rate analysis; (2) micro location assessment (*e.g.*, house position, curb appeal and any disturbances around the house); (3) home appeal assessment (*e.g.*, floorplan, ceiling height, kitchen, porch, backyard, lot size, lot topography); (4) analysis of comparables; (5) “SRI” (socially responsible investment) considerations (*e.g.*, energy efficiency); (6) on the ground due diligence (*e.g.*, full third party home inspection) and legal due diligence; (7) continuous asset management and monitoring facilitated by proprietary technology (“OneApp”) and an in-house specialist asset management team working in partnership with external property managers; and (8) an exit strategy analysis initiated from the outset of the Investment. The Firm seeks Investments using this strategy that are diversified across rent range, home size, floorplans, etc.

In pursuing the U.S. SFR strategy, the Firm seeks to carry out the following non-exhaustive list of functions subject to certain restrictions and oversight from, as applicable, a Fund’s directors or general partner:

- Conduct and analyze research and direct formation of investment policies and strategies for the Clients;
- Negotiate the purchase of single properties;
- Engage independent valuation agents for the properties;
- Hedge Investments;
- Execute contracts and transactions for, or in connection with, the purchase and sale of Investments;
- Engage real estate brokers and managers to assist in executing the Client’s investment strategy;
- Engage with insurance agents regarding appropriate coverage for potential property damage, general liability and title insurance;
- Engage and supervise a third party administrator, transfer agents and any other Fund service provider; and
- Operate bank accounts on behalf of the Clients for the purpose of executing the investment strategy (*e.g.*, rent collections account, property acquisition account, etc.).

*U.S. SFR Rental/Refurbishment Debt Investing.* Regarding its “buy-to-rent” mortgage lending, the Firm invests, on behalf of its Clients, in (1) mortgage loans to medium-sized borrowers (“buy-to-rent” investors) that have no access to the securitization market and are too large to access loans from a government-sponsored enterprise (*e.g.*, Fannie Mae or Freddie Mac) and/or (2) senior bank replacement financing for a portfolio of loans. The Firm targets medium to long term mortgages at appropriate LTV for the strategy and investment vehicle. Additionally, regarding short-term renovation (refurbishment) lending, the Firm invests, on behalf of its Clients, in loans (1) to professional borrowers with a demonstrated strong track record and operating infrastructure and/or (2) senior bank replacement financing for a portfolio of loans. The Firm makes such investments in well-established markets where there is a need for new or modernized housing stock and targets short to medium term loans offering a desirable risk/reward ratio appropriate for the investment strategy and vehicle. *NPL/RPL Investing.* Regarding its NPL/RPL investment strategy, the Firm invests, on behalf of its Clients, by (1) lending to large NPL/RPL owners that want to refinance their portfolios and/or (2) purchasing NPL/RPLs from national/regional banks that are selling NPL/RPLs to relieve the capital charge burden on their balance sheets. In making these investments, the Firm targets super senior bank and/or securitization replacement on a portfolio of NPL/RPL whereby all cash flows are used to pay down debt.

*US REIT.* This strategy invests in the US REIT which invests in single family residential properties in the United States and is subject to restrictions set out in the US REIT’s offering document. The US REIT will not own any of the residential real property directly but through various single member limited liability

companies, each formed under the laws of the State of Delaware to hold and own title to all of the residential real property. These subsidiary limited liability companies create a liability shield insulating the residential real property assets owned by one subsidiary from the potential liabilities incurred by any other subsidiary of the US REIT.

*Generally.* To achieve its investment program, the Firm may cause Funds to use borrowings, including loans and bond investments, provided that proceeds of such borrowings shall be principally used to return capital to a particular Fund's investors.

Certain Clients are permitted to invest in securities for liquidity management purposes or to facilitate exiting an investment, and certain financial market derivatives may be employed but only for hedging purposes.

The Firm may also provide product structuring advice, administration and other services as part of its strategy to private debt issuers or providers.

The Firm may consider ESG factors as part of certain of its investment strategies. The Firm is committed to responsible investing, including a focus on understanding how ESG factors may influence performance, generate alpha, and/or mitigate risk in client portfolios. Where applicable, the Firm expects responsible investing insights to be a component of the research processes that are used to arrive at investment decisions.

### ***Material Risks Associated with the Investment Strategies***

*The investment strategies the Firm pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.* The risks described herein do not purport to be a complete list or explanation of the risks involved in an investment in a Fund or Separate Account managed by the Firm.

*The following risk factors may not be applicable to all Clients. Investments in a Fund or Separate Account are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment in a Fund or Separate Account. In particular, prospective investors in a Fund should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the applicable Fund's offering documents. These risk factors include only those risks the Firm believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Firm and do not purport to be a complete list or explanation of the risks involved in an investment in a Fund or Separate Account.*

*Debt Securities Generally.* A Client may invest in private debt securities and other similar instruments. A Client may invest in debt instruments that are unrated, and, whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

*Default Risk.* If there is a default on a loan, reference loan, structured financial obligation or any other instrument in a Client portfolio (collectively "**Collateral Obligations**"), the defaulted borrower may cease to fund its obligations as they become due and usually becomes subject to lengthy and substantial workout negotiations or restructuring. That may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal and/or a substantial change in the terms, conditions and covenants with respect to the defaulted obligation, including the possibility that equity of the issuer may be issued in exchange for the original Collateral Obligation, in whole or in part. Furthermore, there can be no assurance that the ultimate recovery on a defaulted Collateral Obligation will not result in a capital loss.

*Fraud.* Of paramount concern in originating or purchasing loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans. In making investments on behalf of its Clients, the Firm or its affiliates will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but the Firm cannot guarantee such accuracy or completeness.

*Investment in Loans Generally; Lack of Liquidity.* Loans and interests therein, including structured finance obligations, have significant liquidity and market value risks as they are not generally traded in organized exchange markets but rather are traded over the counter by commercial banks and other institutional investors engaged in loan syndications.

*Interest Rate Risk.* To the extent interest rates increase, (1) monthly interest obligations owed by the borrowers regarding loans and other portfolio assets that bear interest at floating interest rates will also increase and some borrowers may not be able to make the increased interest payments on portfolio assets or refinance their portfolio assets, resulting in default and (2) the price at which credit instruments bearing a fixed rate of interest can be sold falls and the value of an account is reduced, with a greater proportionate effect dependent upon the length of the instrument's maturity. To the extent interest rates decrease, (1) an account's current income may decline regarding loans and other portfolio assets that bear interest at floating interest rates and (2) credit instruments bearing a fixed rate of interest may become subject to prepayment.

For example, if interest rates decline, Clients may be impacted if borrowers refinance at lower interest rates and/or with other lenders. Therefore, an interest rate decline could reduce the returns expected by Clients and Fund investors. Some borrowers may choose or be required to hedge their interest rate risk by entering into interest rate hedges. In the event that the counterparty in such hedging transaction is unable to make required payments thereunder to the related borrower, such borrower may be unable to meet its payment obligations under the related portfolio asset, resulting in default. Clients may suffer a loss on any defaulted portfolio asset.

*Prepayment risk.* Loans are generally pre-payable in whole or in part at any time at the option of the obligor/issuer at par plus accrued unpaid interest. Prepayments on loans may occur as a result of a number of factors that are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. Likewise, there is no assurance that amounts received from prepayments can be invested in other assets of comparable value or bearing at least the same rate of interest.

*Risks Associated with Investments in Distressed Assets.* A Client may invest in distressed assets and portfolios of distressed assets, including commercial and industrial loans, non-performing and re-performing residential mortgage loans, commercial mortgage loans, and real estate. Although such investments may result in significant returns, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high. Flaws in evaluating the value of assets or collateral for loans purchased by a Client or the prospects for a successful realization of such investment may negatively impact the Client's return on an investment.

*Expedited Transactions.* Investment analyses and decisions frequently may be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of making an investment decision may be limited, and the Firm may not have access to detailed information regarding the proposed investment, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting the underlying assets of the Investment. The Firm may not have knowledge of all circumstances that may adversely affect a proposed Investment. In addition, the Firm expects to rely upon independent consultants in connection with the evaluation of proposed investments, who may not provide accurate or complete information.



*Concentration of Investments.* A Client may at certain times hold relatively few investments. A Client could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

*Key Man.* The performance of the Clients is highly dependent upon the skills of each strategy's personnel in identifying, analyzing, purchasing, managing and selling Client assets. As a result, Clients are highly dependent on each strategy's experience and those of its employees, any of whom may not continue to be associated with us. The loss of one or more of these key individuals could have a material adverse effect on Client performance. Moreover, investment management agreements may in some cases be terminated in the event of certain key men departures.

*Breaches in Information Technology Security.* The Firm's parent company maintains global information technology systems, consisting of infrastructure, applications and communications networks to support Clients as well as its own business activities and those of the Firm. These systems could be subject to security breaches such as "cyber-crime" resulting in theft; a disruption in the Firm's ability to initiate and close out positions, perform its management responsibilities and duties; or the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for Clients. Our parent company seeks to mitigate attacks on systems; however, such measures cannot provide absolute security. Further, we will not be able to control directly the risks of third-party systems upon which we may rely or to which we may connect. Any breach in security of the Firm's systems cause Clients to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention and/or reputational damage. Any of the foregoing could have a material adverse effect on the Firm and our Clients, noteholders, investors and investment portfolios.

*Co-Investments.* The Firm may offer co-investment opportunities ("Co-Investments") from time to time to investors in its Funds and to third parties. The Firm is under no obligation to provide Co-Investments to investors or its Clients, and any such Co-Investments may be offered to one or more third parties and/or some and not other investors. Co-Investments will not necessarily be offered to Clients of Firm or investors in Firm Funds. Co-Investments will be allocated as determined by Firm in its sole discretion, and any such allocations as between investors may not correspond to their pro rata interests in the relevant Fund or the size of their accounts. In determining such allocations, the Firm may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in the Fund and any other Firm Funds, accounts and/or affiliate Clients, and the ability of any such co-investor to respond promptly and appropriately to potential investment opportunities. Additionally, the Firm may grant certain investors in a Fund a priority right to participate in Co-Investments. The existence of such priority Co-Investment rights may result in other investors receiving fewer or no Co-Investments. Because co-investors may not be identified and/or may not agree to invest until relatively late in the investment process, or for other reasons, co-investors may not bear their proportionate share of investment-related expenses (including "broken deal" expenses). A non-binding indication of interest in co-investments does not require Firm to notify such interested party of any co-investment opportunity.

Participants in Co-Investments may have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take (or block) action in a manner that is contrary to a Fund's investment objectives. Such participants may also have greater transparency or otherwise receive additional information with respect to such co-investment opportunities than investors even though the Fund may have invested in the same asset.

The terms of any Co-Investments will be determined by the Firm on a case-by-case basis in its sole discretion and any Co-Investments may be presented on an "as is" basis. The Firm expects that Co-Investments will generally be structured through investment funds or similar arrangements to facilitate such investments for legal, tax, regulatory or other purposes, but Co-Investments may also be invested directly

in parallel with the participants. In such cases, it is possible that a participant in a Co-Investment may sell some or all of its interest in a Co-Investment while a Fund retains (or is required to retain) its interest, implying that such Fund risks future losses while the participant in the Co-Investment has already liquidated its position.

Participants in Co-Investments may engage the Firm or its affiliates to advise it with respect to such Co-Investments and agree to compensate the Firm or its affiliates for such services. Economic terms for a Co-investment may differ materially from those of a Fund investing in the same position, and as a result Clients in the same investment may experience different net returns. The Fund and its investors will not participate in the profits or losses received by the other participants in the Co-Investments, nor will the Fund or its investors participate in the compensation received by the Firm or its affiliates with respect to such Co-Investments.

*General Commercial Real Estate Risks.* Real estate and real estate-related investments generally will be subject to the risks incident to the ownership and operation of commercial real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate, including: (1) risks associated with the general economic climate; (2) local real estate conditions; (3) risks due to dependence on cash flow; (4) risks and operating problems arising out of the absence of certain construction materials; (5) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (6) the financial condition of tenants, buyers and sellers of properties; (7) changes in availability of debt financing; (8) energy and supply shortages; (9) changes in tax, real estate, environmental and zoning laws and regulations beyond the control of the Firm; (10) various uninsured or uninsurable risks, including environmental and structural matters; (11) natural disasters; and (12) the ability of a Client or third-party borrowers to manage the real properties.

*Investment in CMBS.* A Client may invest in CMBS, which represent interests in (or that are secured by) commercial mortgage loans. Investing in CMBS involves the general risks typically associated with investing in traditional fixed-income securities (including interest rate and credit risk), as well as additional risks peculiar to the mortgages underlying such CMBS. CMBS generally provide for the payment of interest and principal on a monthly basis, and there also exists the possibility that principal may be prepaid at any time due to, among other reasons, prepayments on the underlying mortgage loans or other assets. The rate of prepayments on underlying mortgages affects the price and volatility of CMBS, and may have the effect of shortening or extending the effective maturity beyond what was anticipated. Further, different types of CMBS are subject to varying degrees of prepayment risk. Finally, the risks of investing in such instruments reflect the risks of investing in real estate securing the underlying loans, including the effect of local and other economic conditions, the ability of tenants to make payments, and the ability to attract and retain tenants.

*Risk of Delinquency, Foreclosure and Bankruptcy.* Clients invest in single family residential and commercial mortgage loans secured (directly or indirectly) by residential, multifamily or commercial property and are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property, which is subject to the risks related to the ownership of real estate, as described above. In the event of any default under a real estate loan held by a Client, the Client bears a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the real estate loan, which could have a material adverse effect on the Client's cash flow from operations and limit amounts available for distribution to the Client and Fund investors, as applicable.

It is likely that a Client may find it necessary or desirable to foreclose on some, if not many, of its real estate loans. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the Client, including, without limitation, numerous lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a

favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management and operation of the property. The expense and delay associated with foreclosure of a mortgage loan could have a substantial negative effect on the Client's anticipated return on the foreclosed mortgage loan.

In the event of the bankruptcy of a real estate loan borrower, the real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor in possession to the extent the lien is unenforceable under state law. The bankruptcy process can involve substantial legal, professional and administrative costs, be subject to unpredictable and lengthy delays, and negatively impact the underlying property and the Client's return on that particular investment. The debt of entities in bankruptcy will in most cases not pay current interest, may not accrue interest during bankruptcy and their assets may suffer an erosion of value. Such investments can result in a total loss of principal. During the bankruptcy process, the creditors may not take adverse actions towards the bankrupt entity or any of its assets without court approval.

*Illiquidity.* Real estate investments are less liquid than other types of investments. This lack of liquidity may tend to limit the Firm's ability to react promptly to changes in economic or other conditions. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, may change adversely and are generally not reduced when circumstances cause a reduction in income from the investments. Also, a Client or its underlying investment entities may need to comply with certain legal, tax and other requirements prior to liquidating such investments.

*Losses Not Covered by Insurance.* The insurance coverage applicable to real estate investments contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. There may be certain losses, including but not limited to, losses from floods and losses from earthquakes, hurricanes, acts of war, acts of terrorism or riots, that are not generally insured against or that are not generally fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to a real estate investment, a Client could experience a significant loss and could potentially remain obligated under any recourse debt associated with the property.

*Environmental Liabilities.* Under various U.S. federal, state and local environmental laws, ordinances and regulations, a current or previous owner of real estate may become liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or in its property. Those laws typically impose cleanup responsibility and liability without regard to whether the owner or control party knew of or was responsible for the release or presence of such hazardous or toxic substances. The costs of investigation, remediation or removal of those substances may be substantial. The owner or control party of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain environmental laws also impose liability in connection with the handling of or exposure to asbestos-containing materials, pursuant to which third parties may seek recovery from owners of real properties for personal injuries associated with asbestos-containing materials. The presence of such substances on a Client's real estate investments could adversely affect its ability to sell such investments or to borrow using such investments as collateral.

*Medium- to Long-Term Investments.* Clients likely to pursue investment opportunities that seek to maximize asset value or create market opportunities on a medium- to long-term basis. In pursuing such medium- to long-term strategies, a Client may forego short-term or temporary investments. Consequently, a Client may

not capture the maximum available value in the short term, which may be disadvantageous, for example, for investors who redeem all or a portion of their investment before such longer-term value may be realized.

*Leverage.* A Client may employ leverage for the purpose of making investments. The level of interest rates at which the Client can borrow will affect the operating results of the Client. If the Client leverages its assets to borrow additional funds for investment purposes, the Client will be required to pledge its assets to secure such borrowings, potentially reducing the Client's liquidity. Investments made by the Client (*e.g.*, in REIT securities or CMBS) also may contain a significant amount of inherent leverage.

*General Economic Risks Associated with Investments in Single Family Homes.* The success of a Client's investments regarding single family homes will be affected by general national, regional or local economic and market conditions, such as house prices in the United States, rental rates, interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in job markets and employment levels, changes in laws (including laws relating to taxation of a Client's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of investments' prices and the liquidity of a Client's investments.

*General Real Estate Ownership Risks.* With respect to investments in the form of real property owned by a Client, the respective Client will incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon and ultimately disposing of such property. With respect to investments in equity securities, debt securities or other financial instruments, a Client will in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In addition, a Client may invest in mortgage loans that are structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. A Client's investment strategy, which frequently may involve the acquisition of distressed or underperforming assets in a leveraged capital structure, will involve a high degree of legal and financial risk, and there can be no assurance that a Client's rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of investments because investments in real estate-related assets generally are not liquid. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on their resale by a Client.

*Risks Associated with Owning and Managing Single Family Rental Properties.* The Firm's operating results are subject to risks generally incident to the ownership and rental of residential real estate, many of which are beyond our control, including, without limitation:

- Overall conditions in the rental housing market, including:
  - Macroeconomic shifts in demand for rental homes;
  - Inability to lease or re-lease homes to residents on a timely basis, on attractive terms or at all;
  - Failure of residents to pay rent when due or otherwise perform their lease obligations;
  - Unanticipated repairs, capital expenditures or other costs;
  - Uninsured damages; and
  - Increases in property taxes, HOA fees and insurance costs;
- Level of competition for suitable rental homes;
- Terms and conditions of purchase contracts;
- Costs and time period required to convert acquisitions to rental homes;
- Changes in interest rates and availability of financing that may render the acquisition of any homes difficult or unattractive;
- The short-term nature of most residential leases and the costs and potential delays in, or problems encountered in, re-leasing;

- Changes in laws, including those that increase operating expenses or limit our ability to increase rental rates (e.g., tenant relief laws, including laws regulating evictions, rent control laws and other regulations) and those that enhance incentives to encourage home ownership;
- The impact of potential reforms relating to government-sponsored enterprises involved in the home finance and mortgage markets;
- Rules, regulations and/or policy initiatives by government and private actors, including HOAs, to discourage or deter the purchase of single-family properties by entities owned or controlled by institutional investors;
- Disputes and potential negative publicity in connection with eviction proceedings;
- Overbuilding;
- Costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems, such as indoor mold;
- Casualty or condemnation losses;
- The geographic mix of the investment properties;
- The cost, quality and condition of the properties the Firm is able to acquire;
- The Firm's ability to provide adequate management, maintenance and insurance;
- Inaccurate or changing information supplied by prospective residents;
- Contingent or unknown liabilities associated with properties (e.g., liens attached to homes, unpaid real estate tax, utilities or HOA charges for which a subsequent owner remains liable or claims of vendors against the previous owner);
- Litigation, including class action lawsuits (regarding, e.g., eviction proceedings and other landlord-tenant disputes, challenges to title and ownership rights, disputes arising over potential violations of HOA rules and regulations, issues with local housing officials arising from the condition or maintenance of the property, outside vendor contractor and developer disputes and trademark infringement and other intellectual property claims) and negative publicity by tenant and consumer rights organizations; and
- Eminent domain exercised by governmental authorities substantially limiting or eliminating profit potential regarding the relevant properties.

Any one or more of these factors could adversely affect the Firm's business, financial condition and results of operations.

*Potential Declines in Revenue and Fixed Costs.* Many of the expenses associated with the Firm's business, such as real estate taxes, HOA fees, personal and property taxes, insurance, utilities, acquisition, renovation and maintenance costs, and other general corporate expenses are relatively inflexible and will not necessarily decrease with a reduction in revenue from the rental business. As a result, the Firm may not be able to fully offset rising costs and capital spending by increasing rental rates, which could have a material adverse effect on our results of operations and cash available for distribution.

*Competition for Quality Residents.* The Firm depends on rental income from residents for a substantial portion of Client revenues, which depends in large part upon the ability to attract and retain qualified residents for the rental properties. Competing properties may be newer, better located and more attractive to residents. Potential competitors may have lower rates of occupancy or may have superior access to capital and other resources, which may result in competing owners more easily locating residents and leasing available housing at lower rental rates than the Firm might offer. Additionally, some competing housing options may qualify for government subsidies that may make such options more accessible and therefore more attractive than the Clients' properties. This competition may affect the Firm's ability to attract and retain residents and may put negative pressure on rental rates. In addition, increases in unemployment levels and other adverse changes in economic conditions may adversely affect the creditworthiness of potential residents, which may decrease the overall number of qualified residents. Also, improving economic conditions, along with the availability of low residential mortgage interest rates and government sponsored programs to promote home ownership, may make home ownership more accessible for potential renters

who have strong credit. These factors may encourage potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential rental residents.

*Delays in Renovation or Building and Maintenance of Single Family Rentals.* The Firm may not have control over timing and costs arising from building or renovating acquired homes, and the cost of maintaining rental homes is generally higher than the cost of maintaining owner-occupied homes, which will affect the costs of operations and may adversely impact our Clients. Profitability depends in part on the Firm's ability to acquire properties that can be removed quickly or built and rented with minimal expense and maintained in quality condition. The Firm may underestimate the time and expense required to renovate or build. Also, The Firm depends on numerous service providers. Issues with service providers and the numerous issues that may be encountered in the course of construction may result in delays and impair profitability. Renters impose additional risks to owning real property. Renters do not have the same interest as an owner in maintaining a home and its contents and generally do not participate in any appreciation of the home. Accordingly, renters may damage a home and its contents, and may not be forthright in reporting damages or amenable to repairing them completely or at all. A rental home may need repairs and/or improvements after each resident vacates the premises, the costs of which may exceed any security deposit. Accordingly, the cost of maintaining rental homes can be higher than the cost of maintaining owner-occupied homes, which will affect our costs of operations and may adversely impact our ability to make distributions to our shareholders.

*Non-Performing and Re-Performing Loans.* Clients invest in non-performing and/or re-performing single family mortgage loans and/or commercial real estate mortgage loans. Such loans are considered risky. Loans may become non-performing or re-performing for a wide variety of reasons, including, without limitation, (1) the financial constraints or bankruptcy of the property owner; (2) the fact that the mortgaged property is too highly leveraged (and, therefore, *e.g.*, the property is unable to generate sufficient income to meet its debt service payments); (3) poor management of the property; (4) vacancy of the mortgaged property; or (5) construction or rehabilitation not being fully completed. Non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that, upon maturity of such loan, replacement "take-out" financing will not be available. Similarly, upon maturity of a re-performing loan, there is a risk that replacement "take-out" financing will not be available due to past delinquencies.

*Foreign Investments and Currencies.* The Firm may invest a portion of a Client's capital in debt secured by commercial real estate properties located in the United States, the UK or Europe. Also, the Firm may invest a portion of a Client's capital in single family homes in fee simple, refurbishment or rental debt or NPL/RPLs secured by mortgages on single family homes in the United States. Further, the Firm may invest a portion of a Client's capital in short-term residential loans in Ireland. Such investments will be subject to the general economic conditions and real estate-related risks of the country where the property is located and may be affected by political, social and economic uncertainty affecting a country or region. The legal and regulatory environment for Investments also will differ depending on its location, particularly as to foreclosure procedures.

In addition, investments involve risks relating to currency exchange matters, including fluctuations in the rate of exchange between the currency in which the books of the Client are maintained and the various foreign currencies in which a Client's investments may be denominated and costs associated with conversion of investment principal and income from one currency into another. Fluctuations in currency exchange rates may adversely affect the target returns of investments, even if such investments perform as or better than expected when measured in their local currencies. Given the costs and expenses associated with currency hedging, the Firm may, but is not required to, hedge against any such currency exchange rate risks. Accordingly, adverse currency exchange rate developments may reduce a Client's cash available for distributions.

Also, a Client may be subject to additional risks which include possible adverse political and economic developments, possible adoption of governmental restrictions which might adversely affect the payment of rent, principal, interest and other amounts to investors located outside the country where the property is located, whether from currency blockage or otherwise. In addition, political or social instability or diplomatic developments could affect investments in those countries. While the Firm will take these factors into consideration in making investment decisions for a Client, no assurance can be given that Clients will be able to avoid these risks. There is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income limitations on the removal of funds or other assets of a Client. Any such taxes imposed in respect of a Client's investments may reduce a Client's cash distributions and/or increase its loss from such investments. Moreover, the ability of a Fund investor to claim a foreign tax credit or deduction tax purposes is subject to limitations and each Fund investor should consult its own tax advisor about the imposition of foreign taxes with respect to its investment in a Fund and the ability of such Fund investor to claim a foreign tax credit or deduction, in light of the Fund investor's specific circumstances.

*Assumption of Business, Terrorism and Catastrophe Risks.* Opportunities involving the assumption by the client of various risks relating to particular assets, markets or events may be considered from time to time. The client is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, pandemics and other health crises, terrorism and other catastrophic events and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by the client in assuming these risks and, depending on the size of the loss, could adversely affect the return of the client.

*Risks Associated with the United Kingdom's withdrawal From the European Union.* Changes in the UK political environment following the UK's decision by referendum to exit from the EU may lead to political, legal, tax and economic uncertainty. This may impact general economic conditions in the UK and various other countries. It is not yet clear whether and to what extent EU regulations remain applicable or will be replaced by different UK regulations with respect to the Investment Manager and the UK-based Affiliated Portfolio Managers following a UK exit from the EU or what legal or cooperation arrangements the UK may put in place with the EU, but it is possible that investors may be subject to fewer regulatory protections than would otherwise be the case. A UK exit may adversely affect the Investment Manager's and/or the UK-based Affiliated Portfolio Managers' ability to access markets, make investments, attract and retain employees or enter into agreements (on their own behalf or on behalf of the Fund and/or the Portfolio Funds) or continue to work with non-UK counterparties and service providers, all of which may result in increased costs to the Fund and/or the Portfolio Funds. UK based investors may no longer be allowed to invest in the Fund or suffer negative consequences from an investment in the Fund.

*Risks Associated with COVID-19.* In the winter of 2020, the global outbreak of Coronavirus (or COVID-19) created enormous unprecedented economic and social uncertainty throughout the world. As of the date of this Brochure, that uncertainty continues. The ultimate impact of the Coronavirus outbreak (or of any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, but as of the date of this Brochure, Coronavirus and the reactions to it have already had dramatic adverse effects on global, national and local economies and on financial markets, and there is a significant likelihood that the negative impact will persist for some time. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these and other measures, could materially and adversely impact the Fund's investments, both in the near- and long-term in a variety of industries and regions or globally. The impact of Coronavirus on the health of MIAL's employees and the imposition of restrictions on MIAL's employees (including "shelter-in-place" or "lock-down" directives) could materially disrupt MIAL's business activities and negatively affect MIAL's ability to effectively monitor and manage the Fund's portfolio and operate the Fund in general. Similar operational disruptions have occurred and

may continue to occur in respect of service providers, counterparties (including providers of financing) and the markets in which a client trades.

In addition, the outbreak of Coronavirus has contributed to, and may continue to contribute to, volatility in financial markets, which may disrupt historical pricing relationships or trends that MIAL's strategies and models are based on, resulting in substantial and sudden losses to clients. This risk of loss can be compounded by the fact that in disrupted markets positions may become illiquid and financing might become unavailable. Volatility may also make it more difficult or costly to rebalance portfolios or keep them within investment guidelines or targets. Governmental responses to the Coronavirus outbreak may be inadequate to limit the outbreak's spread or to mitigate its impact on any nation's economy or the global economy. Further, the responses of governments, regulators and exchanges to the increased volatility could have adverse effects on a client's ability to implement its strategies or cause clients to incur losses. Such responses may, if unclear in scope and application, result in further confusion and uncertainty, resulting in further market volatility or even potentially suddenly and substantially eliminate a client's ability to continue to implement certain strategies or manage the risk of outstanding positions.

IT IS CRITICAL THAT INVESTORS REFER TO THE APPLICABLE GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF THE MATERIAL RISKS INVOLVED IN AN INVESTMENT IN THE FUNDS AND SEPERATELY MANAGED ACCOUNTS, INCLUDING THE RISK OF FINANCIAL LOSS. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENT.



## **ITEM 9 – DISCIPLINARY INFORMATION**

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the Firm or the integrity of its management. The Firm has no legal or disciplinary information to disclose at this time.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Broker-Dealer Registration Status**

Neither the Firm nor its management persons is registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer. The Firm utilizes the sales team of its affiliate, Man Investments Inc. (“MII”), to assist in the marketing of its investment services. MII is a limited purpose broker-dealer registered with the SEC and a member of Financial Industry Regulatory Authority, Inc. (“FINRA”). MII may act as solicitor, selling agent and/or investor servicing agent for certain of the Funds for which it may or may not be compensated.

### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

Neither the Firm nor its management persons is registered as a commodity pool operator or commodity trading advisor with the Commodity Futures Trading Commission (“CFTC”) and is not a member of the National Futures Association (“NFA”).

### **C. Material Relationships or Arrangements with Industry Participants**

The Firm is affiliated with and under common ownership with the following New York-based entities: GLG LLC, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; FRM Investment Management (USA) LLC, an investment adviser registered with the SEC and a commodity pool operator and commodity trading advisor registered with the CFTC and a member of the NFA; Man Solutions (USA) LLC, an investment adviser registered with the SEC; Silvermine Capital Management LLC (“Silvermine”), an investment adviser registered with the SEC; and Man Investments Inc., a limited purpose broker-dealer registered with the SEC and member of FINRA which provides marketing and placement agent services to certain of the Firm’s Funds, as well as marketing and sales services to the Firm and its affiliated entities.

In addition, the Firm is affiliated and under common control with Man Global Private Markets (USA) Inc., (“U.S. Affiliate”), which is based in Charlotte, NC and described under Item 4; and Numeric Investors LLC, based in Boston, MA, which is an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC, and a member of the NFA. The Firm is also affiliated and under common control with the following London-based entities which are authorized and regulated by the Financial Conduct Authority: GLG Partners LP, an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA; AHL Partners LLP, an investment adviser registered with the SEC, a commodity pool operator and commodity trading advisor registered with the CFTC and a member of the NFA; and Man Solutions Limited, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA. In addition, from time to time the Firm provides sub-advisory or other investment management services to clients of Man Solutions Limited. Man Solutions Limited is an affiliated investment adviser which provides customized portfolios to its clients across strategies managed by its affiliates, including the Firm.

Furthermore, the Firm is affiliated and under common ownership with Man Asset Management (Ireland) Limited (“MAMIL”) an investment adviser regulated by the Central Bank of Ireland; Man Asset Management (Cayman) Limited (“MAMCL”), a manager regulated by the Cayman Islands Monetary Authority; Man Investments AG (“MIAG”) and Man Investments (CH) AG (“MICHAG”), entities registered with the Swiss Financial Market Supervisory Authority. Certain of the Firm’s Funds have a distribution agreement with MIAG. In addition, MAMIL, MAMCL, and MICHAG may provide certain investment-related services to the Firm.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

The Firm, its affiliates and its personnel serve as investment advisers and investment managers to multiple pooled investment vehicles and Separate Accounts. The Firm may manage accounts on behalf of its affiliates alongside its Clients. The Firm, its affiliates and its personnel may take action or give advice with respect to certain Clients and accounts that differs from the advice given to other Clients and accounts. Specifically, there may be times whereby the advice given to Clients and accounts is opposite of the advice given to other Clients and accounts due to differences in investment strategy, redemptions/subscriptions or other factors. The Firm, its affiliates and its personnel will devote as much time to the activities of each client or account as they deem necessary and appropriate and the amount of time devoted to different clients and accounts may vary.

The Firm does not recommend or select other third-party investment advisers for its Clients.

The Firm may cause one or more Clients to utilize the services of a service provider with which the Firm has other relationships. In particular, the direct real estate business undertaken by certain Clients utilizes the services of Goal, a property management service to whom the predecessor Firm entity previously provided certain debt financing.

An affiliate may from time to time seed funds to which the Firm may provide investment management services.

Certain employees of the Firm's U.S. Affiliate are members of the Investment Committees of the Firm's Clients. While sitting on these Investment Committees, employees of the U.S. Affiliate will be acting on behalf of the Firm. Similarly, certain Firm employees are members of the Investment Committees of Clients of its U.S. Affiliate and in such capacity will be acting on behalf of the U.S. Affiliate.

Potential and actual conflicts of interest may arise from the activities described herein. The Firm has established policies and procedures to monitor and to the extent possible resolve conflicts of interest and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems appropriate and equitable to the extent possible under the prevailing facts and circumstances.

When a conflict of interest arises the Firm will endeavor to ensure that the conflict is resolved or managed appropriately and fairly. Furthermore, the Firm has substantial incentives to see the assets of Clients appreciate in value and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of Clients.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Firm strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, the Firm has adopted a Global Code of Ethics (the “Code”) that is supplemented by additional policies and procedures that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern, amongst other matters, the personal securities transactions of its employees. The Code was developed to promote the highest standards of behavior and to ensure compliance with all applicable regulations.

The Code applies to all Firm employees. The Code contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to Clients;
- Prohibit employees from taking personal advantage of opportunities belonging to Clients;
- Prohibit trading on the basis of material nonpublic information;
- Require employees to comply with anti-money laundering requirements;
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to such trading (with the exception of certain security types);
- Impose limitations on the giving or receiving of gifts and entertainment;
- Restrict employee outside business activities;
- Require pre-clearance on political contributions; and
- Prohibit disclosure by employees of confidential information of the Firm and its Clients.

Employee personal trades in securities covered by the Code are monitored by the Chief Compliance Officer or designee and governed by the procedures set forth in the Code. Such employees may from time to time have proprietary investments in which Clients advised by the Firm also take a position, may trade and invest simultaneously with such Clients, and may take investment positions that are different from or opposite to the positions taken for such Clients. In general, all personal securities transactions (except for unaffiliated US open-ended mutual funds, US Treasury securities, or other permitted investments listed in the Code) are subject to pre-clearance by Compliance. A copy of the Firm's Code is available, free of charge, to Clients and prospective Clients upon request by contacting [compny@man.com](mailto:compny@man.com).

Furthermore, the Firm has adopted procedures to prevent and detect misuse of material nonpublic information. Specifically, the Firm's procedures prohibit any employee from trading, either personally or on behalf of others (such as Client accounts), while in possession of material nonpublic information, and prohibit employees from communicating material nonpublic information to others in violation of the law.

Personnel of the Firm and its affiliates (the “**Advisory Affiliates**”) may invest in or have a financial interest in the Funds and may not invest in all such Funds. It is expected that the size of these investments or the financial interest will change over time. Potential conflicts may arise due to the fact that the Advisory Affiliates may have investments or financial interests in some Funds but not in others or may have different levels of investments or financial interests in various Funds, and because the Funds may pay different levels of fees.

In addition, certain Advisory Affiliates may from time to time make personal investments in securities or financial instruments which may be appropriate for, may be held by, or may fall within Client investment guidelines. Such Advisory Affiliates may buy, sell, or hold securities or other financial instruments for their own accounts while entering into different investment decisions for one or more Clients. These activities may adversely affect the prices and availability of securities or financial instruments held by or potentially considered for one or more Clients.

From time to time, the Firm or the Advisory Affiliates may form and manage additional pooled investment vehicles and advise other client accounts with similar or different investment strategies as the Funds or Separate Accounts currently advised by the Firm. It may be appropriate for more than one Fund or Separate Account advised by the Firm to make the same investments at the same time. The Firm has policies and procedures to manage the conflicts of interest in connection with such investments.

### ***Cross Transactions and Principal Transactions***

When disclosed in the relevant Governing Documents, we may effect cross transactions among Clients on an agency basis (transactions directly between two Clients or indirectly using a counterparty as broker) or, to a lesser extent, on a principal basis (transactions between the Client and the Firm). In effecting cross transactions, our interests could conflict with those of the Client. Further, by not exposing the transaction to market forces, a Client may not receive the best price otherwise possible or the Firm may have an incentive to sell underperforming assets to another Client to earn fees. For example, we may arrange for one Client which is liquidating to sell all or part of its portfolio to another Client which might be ramping up its investment portfolio. The Firm has adopted policies and procedures designed to address the conflicts which may arise in the context of cross trades. Generally, such trades will be effected at market value, or in the absence of readily ascertainable market value, at “fair value” as reasonably determined by the Firm in accordance with its relevant policies and procedures. The Firm receives no fee or compensation in connection with such activity and seeks to comply with the requirements of the Advisers Act or other applicable law for cross trades, whether agency or principal. To the extent that such cross transactions may be viewed as principal transactions, the Firm will comply with the applicable requirements of Section 206(3) of the Advisers Act. The Firm will notify the applicable in writing of the principal transaction and obtain the Client’s consent (or the consent of an independent representative of the Client).

### ***Valuation***

From time to time, the Firm may have a role in determining asset values with respect to Clients’ portfolios and is often required to value an investment when the market price is not available or is unreliable. Investments that are fair valued generally will not have independent values, and the fair values assigned to them as determined in good faith may not match the next available reliable market price or the price at which an investment could be purchased or sold.

Valuation policies differ for the products managed by the Firm and are designed and agreed with investors from inception. The policies differ from vehicle to vehicle within a strategy and from strategy to strategy. Details around each valuation methodology will be detailed in the investment vehicle constitutional documents and investment management agreements.

### ***Conflicts of Interest***

In addition to the conflicts of interest already referenced here, various potential and actual conflicts of interest may arise from the overall advisory, investment, capital market, lending and other activities of the Firm, its principals, its Employees, its Clients and other affiliated parties.

For instance, the Firm serves and expects in the future to serve as portfolio manager or adviser for other Clients and proprietary accounts managed by the Firm for the benefit of its employees in which Clients will have no interest. Accordingly, the Firm may at certain times be simultaneously seeking to make purchases or sales of investments for one Client, its own account or the account of an affiliate, and for other Clients. Advisory Affiliates may buy, sell or hold investments for their own account while the Firm makes investment decisions with respect to the same or similar investments for one or more Clients.

The actions of such other Clients and accounts managed by the Firm or Advisory Affiliates may conflict with the interests of other Clients or create restrictions and/or limitations imposed on Clients’ investment

activity and the Firm may take into consideration the interests of other Clients or Advisory Affiliates when making investment decisions. For example, the Firm may abstain from making an investment or taking an action which it might have otherwise engaged in order to avoid a conflict of interest which in some cases may be to the benefit of or detriment of a particular Client(s).

Advisory Affiliates may at times give advice or take action for their own account or for the account of Clients with similar investment strategies which may differ from action or advice for other Clients. There is no assurance that all Clients with similar strategies or otherwise will hold the same portfolio or perform consistently with other Clients.

In addition, the Firm's simultaneous management of different strategies may create actual or potential conflicts of interest. For instance, one strategy may make an investment that is in competition with an investment or position held by the other strategy.

The Firm may have ongoing relationships with certain investors or Separate Account holders. Such investors or Separate Account holders may have access to more or better information than other investors such as, but not limited to, portfolio risk, personnel and/or investment-related information. In addition, in the course of conducting due diligence, current or prospective investors, or Clients may request information pertaining to investments, portfolios or the Firm or a particular strategy. The Firm may respond to such requests in its discretion and provide a response containing information which is not generally made available to other investors or Clients. When the Firm chooses to provide this requested information, it does so without an obligation to provide it to other investors or to correct or update any such information.

The Firm has adopted policies and procedures reasonably designed to monitor for and resolve conflicts in a manner it deems equitable under the prevailing facts and circumstances. The Firm's determination as to which factors are relevant and the resolution of such conflicts will be made in the Firm's sole discretion, unless otherwise required by the terms of a Client's Governing Documents. There is no assurance that conflicts will always be resolved in favor of a Client's interests.

### ***Other Services***

As part of its business, the Firm may provide services other than investment advisory services. Clients should expect to receive no benefit from the fees or profits derived from such services. The Firm or its management may have relationships, render services to or engage in transactions with issuers of obligations that are eligible investments for Clients. By reason of the various activities of the Firm or its management, we acquire confidential or material, non-public information and can become restricted from effecting transactions that otherwise would have been initiated. Likewise, there may be circumstances where the Firm declines to receive private information which it might have otherwise received in order to be able to make purchases and sales of securities. Additionally, there may be circumstances in which one or more of the Firm's employees will be precluded from providing services to Clients because of certain confidential information available to those individuals or due to contractual obligations such as "lock ups."

## **ITEM 12 – BROKERAGE PRACTICES**

The need for brokerage is not an active part of the Firm's current strategies.

In regard to the purchase and sale of portfolio companies, properties, and loans the Firm will seek to engage real estate brokers, investment banks, or broker-dealers for the purchase or sale of the portfolio companies, properties, and loans in the best interests of the Client, including the commission rate negotiated and the overall quality of the brokerage services offered.

Firm employees may be offered gifts and entertainment from dealers, banks or persons with whom the Firm does business. This may include meals and other entertainment, seminars or educational training, token items, and gifts associated with life events such as weddings and birthdays. The Firm's Code and Global Gifts and Entertainment Policy are designed to address this potential conflict with a policy which requires reporting and pre-clearance of certain gifts and entertainment.

The Firm recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its private funds in a fair and equitable manner. From time to time, certain funds may have overlapping investment programs. If the Firm determines that it would be appropriate for more than one Client to participate in an investment opportunity, the Firm will seek to allocate the investment opportunity to all of the participating Clients on a fair and equitable basis. Due to the nature of the Firm's current investment strategies pro rata allocations are generally not feasible. The Firm, in its sole discretion, may make allocations based upon other considerations, as described above under Item 6.

Further, certain allocations to Clients which pay performance compensation to the Firm or in which Advisory Affiliates have a significant financial interest could result in an economic benefit to the Firm and its affiliates and employees.

The Firm does not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits from any broker, dealer or other counterparty.

## ITEM 13 – REVIEW OF ACCOUNTS

The Firm reviews Client portfolios on an ongoing basis and more formally on a monthly basis.

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

The Firm's portfolio management team, including portfolio managers and analysts, are primarily responsible for reviewing accounts of the clients and do so individually or in a group, depending upon account needs and market conditions. The portfolio management team, individually or in a group, perform daily, weekly, or monthly reviews of all accounts as they deem appropriate or as otherwise required. Reviews may be undertaken because of changes in market conditions; changes in investment objectives or policies; capital inflows/outflows; and other reasons. Various matters may be discussed during such reviews, (e.g., performance of accounts in connection with investment objectives, portfolio construction, risk/reward, and investment opportunities).

### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

A review of an Account may be triggered by changes in market conditions; changes in investment objectives or policies; capital inflows/outflows; and other reasons.

### **C. Reports**

Generally, Fund investors will receive unaudited reports at least quarterly. In addition, investors will receive annual audited financial statements within 120 days of the end of the relevant Fund's fiscal year. The Firm may also have annual meetings with investors to review and provide more details relating to the Fund's investment activities and portfolio.

Investors also generally receive a monthly portfolio overview and a quarterly commentary; however, to the extent investor requests additional information and reporting, other investors may not receive some or all items provided in response to such requests.

Separate Account Clients receive periodic reports and other analytic information as may be negotiated and set forth in the relevant Governing Documents or upon request.



## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### A. Economic Benefits for Providing Services to Clients

The Firm does not receive economic benefits from non-clients for providing investment advice and other advisory services.

### B. Compensation to Non-Supervised Persons for Client Referrals

The Firm and/or its affiliates may from time to time utilize third-party placement agents or solicitors that receive compensation which may be borne by either the Firm or its affiliates or by the investor or client, for referring the client to the Firm or investors in the Funds. The Firm or its affiliates may benefit from the arrangements where clients are referred directly to it and/or investors are referred directly to a Fund, since the management fees are generally based upon a percentage of such client's assets under management. Thus, the more assets the Firm or its affiliates has under management, the higher the management fee income. If applicable, any such arrangement with a third-party solicitor will comply with Rule 206(4)-3 under the Advisers Act.

MII, an affiliate of the Firm, acts as a solicitor for managed accounts and the selling agent and/or investor servicing agent for certain Funds. The Firm may pay a portion of its fees to MII for its services. MII may also receive a percentage of a Fund's management fee to act as selling agent and or investor servicing agent. In addition, MII has entered into agreements with other broker-dealers and certain financial advisers to solicit interests in Funds and/or to provide ongoing investor services and account maintenance services to investors. Each such broker-dealer and financial adviser generally receives compensation based on the aggregate value of outstanding interests held by investors that receive services from such persons, fixed amounts or other agreed upon compensation. Such compensation generally will be paid by MII from the fees that it receives from a Fund or the Firm.

In addition, the Firm has entered into a distribution agreement with MIAG and certain other affiliated entities. These affiliated entities act as solicitors for managed accounts and the selling agent and/or investor servicing agent for certain Funds outside of the US.

## ITEM 15 – CUSTODY

The Firm is subject to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception,” which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

As it applies to its Clients’ real estate and certain other private assets, the Firm generally will be exempt from the requirement to maintain with a qualified custodian certain “privately offered securities,” defined in paragraph (b)(2) of the Advisers Act Custody Rule as securities that are: (1) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (2) uncertificated to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the Client; and (3) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. Partnership agreements, subscription agreements, and LLC agreements are not considered “certificates” for these purposes and the securities represented by these documents are “privately offered securities” provided they meet the other elements of paragraph (b)(2) of the Advisers Act Custody Rule (as set forth above).

To the extent that the Firm’s investments in real estate or equity assets involve securities that are certificated and are not exempt pursuant to the Custody Rule and additional SEC guidance, the Firm will maintain such certificates with a qualified custodian.

The Firm may accept custody with respect to its Separate Accounts. Such Separate Accounts are typically organized as a single investor fund, and the Firm complies with the Custody Rule regarding such accounts using the Audit Exception as described above.

## **ITEM 16 – INVESTMENT DISCRETION**

In general, the Firm provides discretionary advisory and/or management services to its Clients. As such, the Firm has discretion regarding all investment decisions and is authorized to determine and direct the execution of portfolio transactions within each Client's specified investment objectives, restrictions and policies. The extent of the Firm's discretionary authority is set forth in each Client's Governing Documents. This authority is conveyed by Fund investors in their subscription agreements and by Separate Account owners in the applicable investment management agreement. In addition, some Clients may require that decisions affecting their portfolios be discussed and approved by an investment committee and some Clients may require they have a representative on the investment committee who has veto power over investment decisions, as negotiated.

## ITEM 17 – VOTING CLIENT SECURITIES

The Firm does not anticipate having to vote Client-owned equity securities of traditional operating companies as a part of its investment strategy. However, we recognize that proxy voting is also deemed to include any consent requested in matters such as bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities. The Firm has voting authority and responsibility with respect to securities held by its Funds and may, but generally does not, have such authority and responsibility regarding securities held by its Separate Accounts and has therefore adopted policies and procedures related to voting client securities on behalf of its Clients. The Firm has adopted policies and procedures to ensure that any proxy (*e.g.*, proxies, credit agreement amendments, waivers, forbearances, and other forms of corporate actions) voted on behalf of its Clients is voted in a manner which is in the best economic interests of or to avoid a negative impact on such Clients or the underlying investment.

Where proxy votes may be voted for Clients at the Firm's discretion, where the Firm has been specifically instructed by a Client to vote proxies or where the Firm is required to vote a proxy for a Client (each a **"Proxy Client"**), such proxies will be evaluated and voted in the best interest of the relevant Proxy Client(s) with the goal of increasing the overall economic value of or avoiding a negative impact on such Client or investment.

The Firm will endeavor to identify material conflicts of interest, if any, which may arise between the Firm and one or more obligors of Clients' portfolio positions, with respect to votes proposed by and/or effecting such issuer(s), in order to ensure that all votes are voted in the overall best interest of Clients. If the Firm does not believe the exercise of a proxy vote will have a material economic impact on the Client or the underlying loan or that the cost of voting or time commitment required to vote a proxy outweighs the expected benefits of voting the proxy, the Firm generally will not exercise its proxy vote.

Clients generally cannot direct the Firm's vote.

The Firm may use the services of a vendor to process its votes. The vendor fees and expenses are paid by the agent banks and/or borrowers and not the Firm or the Clients.

Upon request, Clients may receive a copy of the Firm's Global Proxy Voting Policy and/or information regarding proxy voting by contacting [compny@man.com](mailto:compny@man.com) or (212) 649-6600.

## **ITEM 18 – FINANCIAL INFORMATION**

The Firm is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.